Insight Department
Argyll & The Isles Tourism Industry Barometer – Q1 2018

The Scottish Tourism Industry Barometer is a collaborative initiative with VisitScotland, Local Authorities, DMO's, and businesses within Scotland, designed to inform and provide stakeholders with an overview of tourism performance at a regional and local level on a quarterly basis.

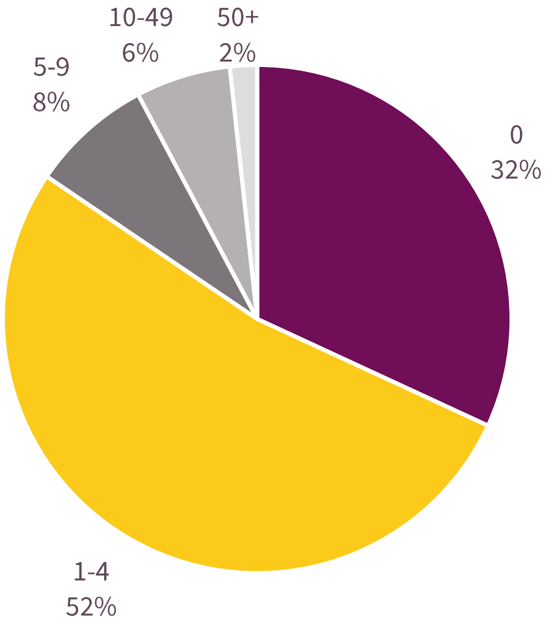
Where is your business based?

Area	Responses
Coll and Tiree	4%
Cowal	22%
Helensburgh and Clyde Sea Lochs	10%
Islay, Jura and Colonsay	16%
Isle of Bute	10%
Kintyre and Gigha	6%
Mid Argyll and Inveraray	14%
Mull and Iona	1%
Oban And Lorn	16%

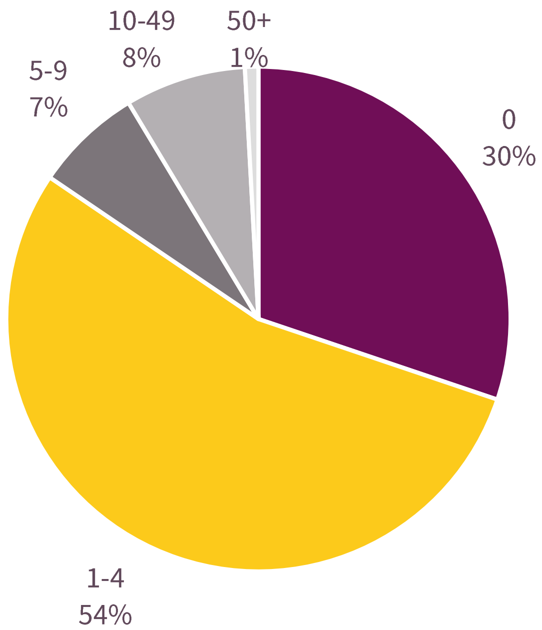
How would you describe the main activity of your business?

Type of Business	Responses
Caravan/Camping	1%
Hostel	1%
Hotel/B&B/Guesthouse	26%
Other	7%
Outdoor Activity Operator	4%
Restaurant/Cafe/Pub	2%
Retail Operator	6%
Self-catering	33%
Tour Operator	3%
Transport & Tours	2%
Visitor Attraction	16%

Please select the number of full-time and part-time employees (including yourself) you have employed during the last 3 months



Full Time



Part Time

How does this compare to the same quarter last year?

Variation	Full Time Staff	Part Time Staff
More than last year	15%	15%
Same as last year	75%	76%
Less than last year	10%	9%

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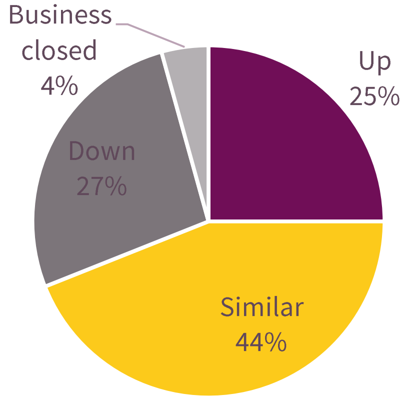
What was your average room occupancy for this quarter (%)?

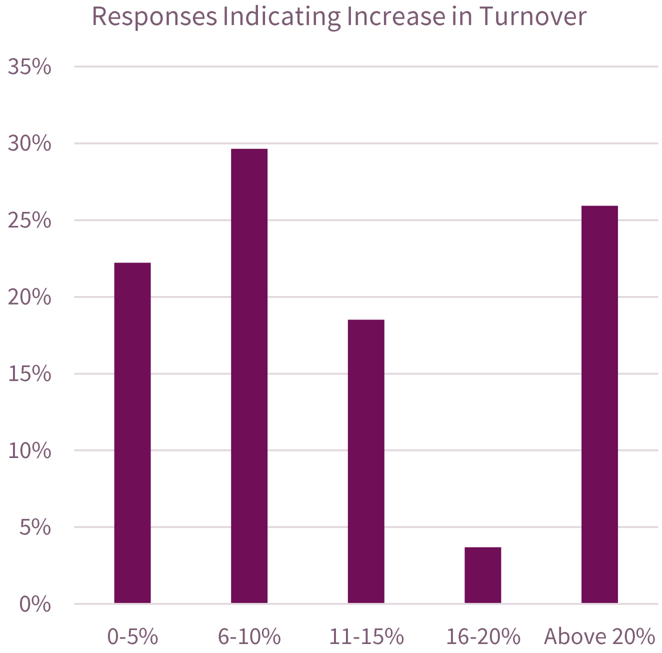
	Serviced Room Occupancy	Self Catering Occupancy
0-10%	13%	13%
11-20%	7%	11%
21-30%	20%	13%
31-40%	13%	13%
41-50%	10%	13%
51-60%	20%	13%
61-70%	3%	8%
71-80%	3%	5%
81-90%	10%	5%
91-100%	0%	5%

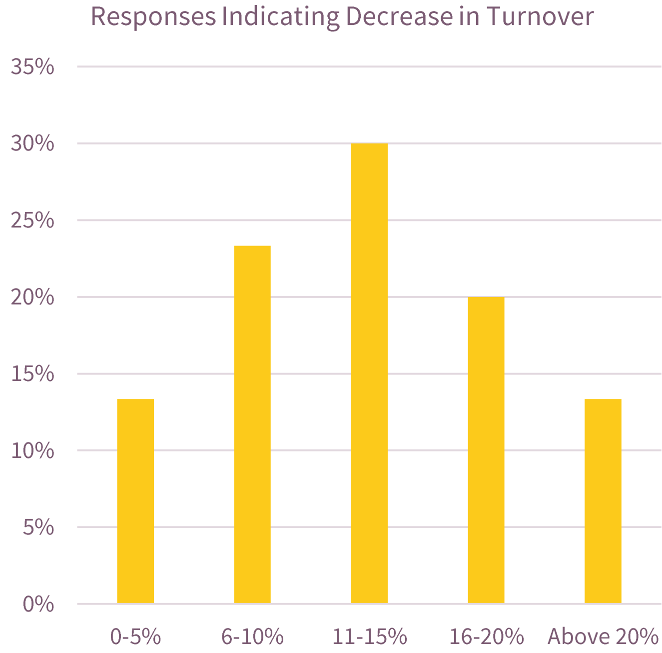
How did your turnover compare in this quarter compared to the same quarter last year?

Turnover Comparison	% of Responses
Up	25%
Similar	44%
Down	27%
Business closed	4%



What was the percentage increase/decrease in your turnover?





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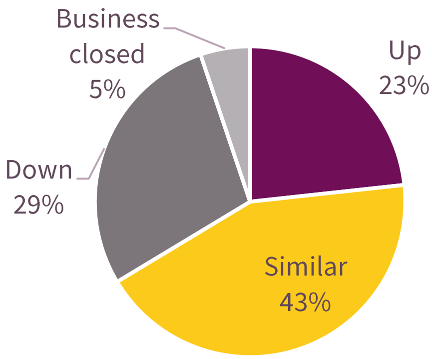
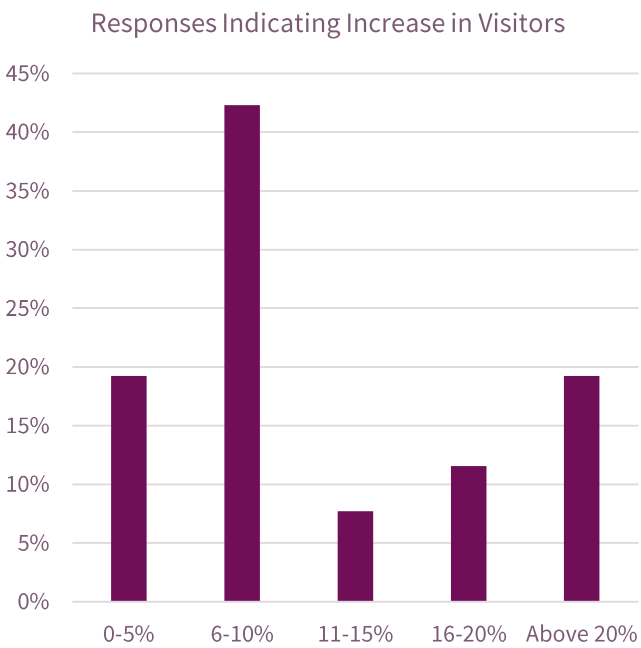
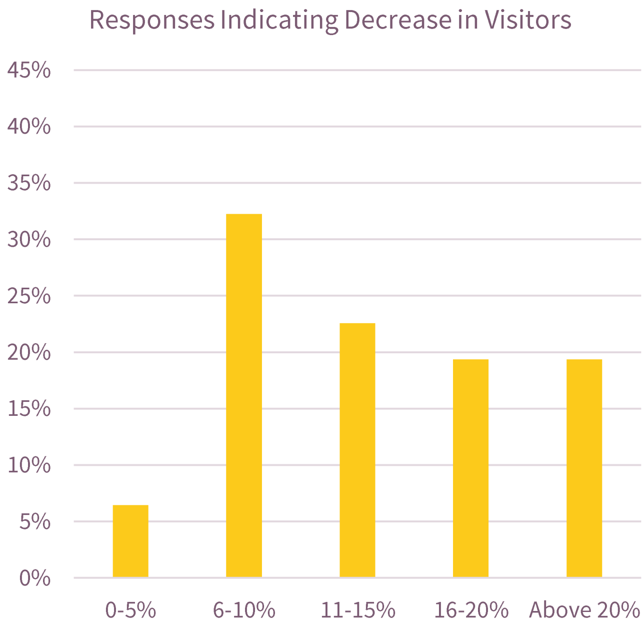
How were your customer/visitor/guest numbers in this quarter compared to the same quarter last year?

Visitor Numbers	% of Responses
Up	23%
Similar	43%
Down	28%
Business closed	5%



What was the percentage increase/ decrease in your customer/visitor/guest numbers?





Has there been any difference in who your customers / visitors have been this season compared to last year?

Change	Local (%)	Rest of Scotland (%)	Rest of UK (%)	Overseas (%)
More of these	16%	20%	18%	30%
Same/similar numbers	52%	50%	47%	38%
Less of these	16%	20%	25%	15%
Don't know	16%	11%	10%	17%

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Have you noticed any significant change in the discretionary spend of visitors during this period?

Discretionary Spend	% of Responses
No	58%
Not Applicable	26%
Yes	16%

If yes, please indicate how much of a percentage change this has been, against the same period last year

Change in Spend	% of Responses
A large increase - over 15%	5%
A small increase - up to 15%	26%
No change	0%
A small decrease - up to 15%	47%
A large decrease - over 15%	21%
Not applicable	0%

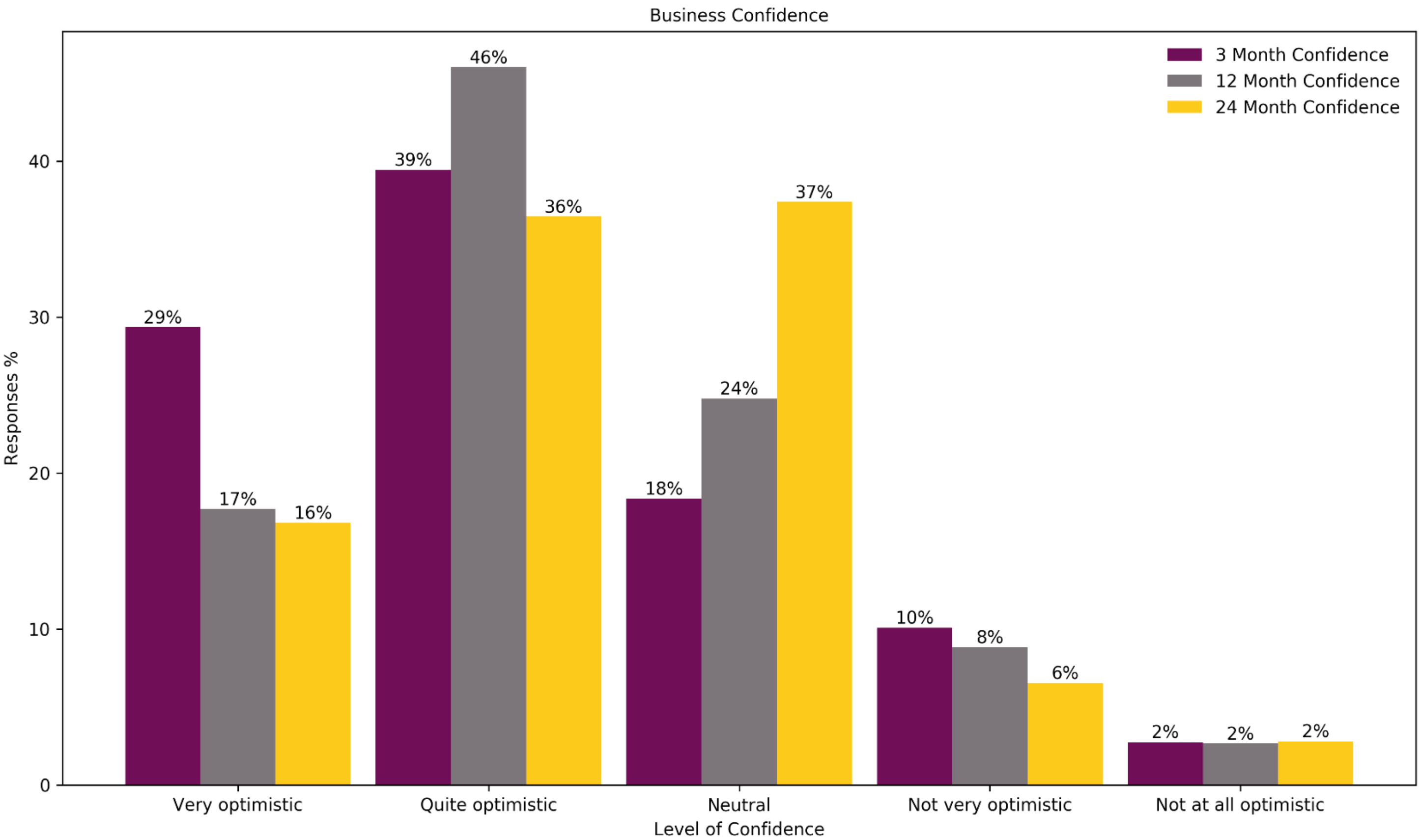
Do you have any plans to significantly invest in your business in the near future?

Business Investment	% of Responses
No	65%
Yes	35%

If yes, over what period is your investment planned for?

Period of Investment	% of Responses
Next 12 months	45%
Between 12 and 18 months	20%
Between 18 months and 2 years	8%
Over 2 years	23%
Don’t know	5%

Please indicate how confident you feel about the performance of your business over the following periods



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Tourism businesses in Argyll & The Isles have undoubtedly been impacted by conditions in the first quarter of 2018, related to poor weather conditions in an already difficult period January to March, with 30% of businesses reporting a decrease in turnover, and 28% a decrease in visitor numbers, against the same quarter of 2017. More positively, business confidence over the next 3 months, moving in to the traditional tourist season, is high, with 68% of responses indicating high or moderate optimism.

Many businesses commented anecdotally on a decrease in visitors from the local area and wider Scotland, citing a reduction in the influence of exchange rates and staycation appeal, however around 70% reported an increase or no change in Scottish visitor numbers. Interestingly, despite not being peak season, almost of third of businesses noticed an increase in international visitors, highlighting opportunities to grow visitor numbers if marketing and investment can be maximised. Many businesses saw no change in the discretionary spend of customers, but of those who did, almost half estimated this to be up to a 15% decrease.

As seen last quarter, employment levels within Argyll & The Isles remain consistent, with around 75% of businesses maintaining levels of full and part-time staff. One continuing barrier to success that drew attention are workforce issues such as availability of skilled applicants/workers and increasing overheads associated with the hiring of new staff.

Accommodation providers have seen low occupancy levels, with half of businesses achieving less than 40% occupancy during this period. Comments indicate this is likely to be in relation to weather, business closure and unreliable transport connections. Many comments indicate positivity for the coming quarter, and beyond, due to high forward booking levels, repeat customers and successful partnership with OTAs.

The overwhelming barrier to success mentioned was ferry transport issues and unreliability of connections for both businesses and visitors. Similarly to last quarter, lack of internet connectivity and digitalisation was also seen as a concern for tourism businesses. Uncertainty in relation to Brexit and the impact this will have on businesses was cited as the main reason for lack of confidence looking further ahead, as well as difficulties in securing finance to allow for investment.

Sample Size: 116

2018 Version 1.0

Contact Us
Insight Department
VisitScotland
Ocean Point One
94 Ocean Drive
Edinburgh
EH6 6JH
T: 0131 472 2222
research@visitscotland.com
www.visitscotland.org